



CITY OF HAYWARD

AGENDA REPORT

AGENDA DATE 12/06/05

AGENDA ITEM 7

WORK SESSION ITEM

TO: Redevelopment Agency Board Members

FROM: Director of Community and Economic Development

SUBJECT: Implementation Plan for the Downtown Hayward Redevelopment Project for Fiscal Years 2004-05 to 2008-09

RECOMMENDATION:

It is recommended that the Agency Board adopt the attached resolution approving the Downtown Hayward Redevelopment Project Implementation Plan for Fiscal Years 2004-05 to 2008-09.

BACKGROUND:

Pursuant to state redevelopment law, the Redevelopment Agency is required to conduct a public hearing, and subsequently adopt an Implementation Plan for the Redevelopment Project Area every five years. The Implementation Plan describes goals and objectives for the Project Area, as well as potential programs and potential projects, and the estimated expenditures to be made during the five years covered by the Plan. The Implementation Plan also describes how the Agency would use its Low and Moderate Income Housing Fund to increase, improve and preserve low and moderate income housing.

The time period covered by the new Implementation Plan is Fiscal Year 2004-2005 through Fiscal Year 2008-2009. The Agency previously adopted an Implementation Plan for its Downtown Hayward Redevelopment Project Area in 1998, for the calendar years 1999 through 2003. In addition, the Agency adopted an Implementation Plan for the Mission-Foothill Amendment Area that was approved in 2001, and conducted a Mid-term Review of its 1999-2003 Implementation Plan as required by state law that same year.

Since the Implementation Plan was last updated in 2001, the Agency has continued its revitalization efforts in the Downtown area, with the completion of the City Walk Project and the Renaissance Walk Project, the initiation of the Cinema Place Hayward project on the former Albertson's site at B & Foothill, as well as several parking improvement projects. In addition, the Agency has extended its efforts into the Cannery/Burbank Sub-area by beginning the implementation of the Cannery Area Design Plan. The Agency is currently funding the design of a state-of-the-art elementary school to replace Burbank School, as well as the expansion of Cannery Park, and is working hand-in-hand with the Hayward Unified School District (HUSD) and the Hayward Area Recreation District (HARD) on those plans. In

addition, the Agency is funding the design and construction of surrounding street improvements and has acquired and cleared much of the property needed for the new school and expanded park. The Agency is also working with the private property owners on the former Cannery properties to facilitate the development of a new residential community. Finally, the Agency has funded and is participating in a major new planning effort, which is the South Hayward BART/Mission Boulevard Concept Plan. This Plan, extending along Mission Boulevard from Harder Road to Industrial Parkway and including the South Hayward BART Station, encompasses a major portion of the Mission/Foothill Sub-area that was added to the Redevelopment Project Area in 2001.

The proposed Implementation Plan largely calls for a continuation of these activities, including: 1) the completion of Cinema Place Hayward and the construction of a parking structure in conjunction with that development, 2) completion of the new public facilities and redevelopment of the Cannery properties in the Burbank/Cannery area, and 3) completion of the Mission Boulevard/South Hayward BART Concept Plan and development of revitalization strategies along the Mission Boulevard Corridor. Much of the funding for the activities addressed by items one and two is proposed to come from the \$37 million of tax allocation bond proceeds that were issued in 2004.

In the Affordable Housing activities section of the Implementation Plan, it is projected that approximately 960 new housing units will be built in the Project Area during this five-year period, and the majority of these units are expected to be built in the Cannery Area. Of these 960 units to be produced, it is projected that 180 units will be made affordable to low and moderate-income households. If this projection materializes, the Agency should exceed its 15% affordable housing production requirement by approximately 30 units. The projects that comprise this 180 affordable unit amount include the Renaissance Walk Development (22 units), the Sara Conner Court Development (57 units), the Cannery development (95 units), and a projected 6 affordable units from miscellaneous other projects that will be required to produce them as a result of the City's Inclusionary Housing Ordinance.

While the Agency is required to adopt an Implementation Plan for its Project Area every five years, annual budget decisions by the Agency Board will determine the actual amount allocated to any particular program or project, and the inclusion of an estimated amount in an Implementation Plan does not constitute approval of that amount.

The HRAC reviewed the Plan at their October 26 meeting and approved a motion in support of Agency adoption of the Plan subject to the following comments:

- With respect to the development of a revitalization strategy for the North Mission Boulevard Commercial Area, which is listed as Proposed Project No. 2 on page 11, the Committee supports this project and notes that the Agency and City should make an effort to coordinate any roadway and landscaping improvement plans with Alameda County.

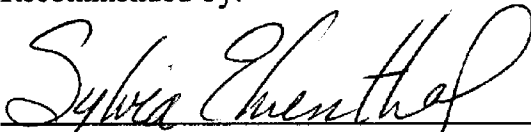
- The discussion and examples provided in the housing section of the Plan should include 1- or 2-person households in addition to 3- and 4- person households.

Staff has incorporated the HRAC's comments into the Plan and recommends its adoption by the Agency Board.

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Recommended by:


Sylvia Ehrenthal, Director of Community
and Economic Development

Approved by:


Jesús Armas, City Manager

Attachments: Exhibit A: Implementation Plan for Fiscal Years 2004-05 to 2008-09
Resolution

EXHIBIT A

IMPLEMENTATION PLAN

FOR THE

HAYWARD REDEVELOPMENT

PROJECT AREA

FY 2004-05 – FY 2008-09

December 2005

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IMPLEMENTATION PLAN 2005 - 2009

INTRODUCTION

In accordance with State law, the Hayward Redevelopment Agency (Agency) is required to adopt a Five Year Implementation Plan for its Downtown Hayward Redevelopment Project Area, containing the following information:

- Specific goals and objectives for the next five years.
- Specific projects and the estimated expenditures for the five year Implementation Plan period.
- An explanation of how the goals, objectives, proposed projects, and expenditures will help to eliminate blight.
- Description of how the Agency would implement the California Redevelopment Law (CRL) requirements related to the provision and preservation of Low and Moderate-Income housing.

The Agency adopted its most recent Implementation Plan (1999-2003) on October 27, 1998, and performed the mid-term review of the plan in 2001. The existing Implementation Plan that was adopted in 1998 coincided with the addition of the Burbank-Cannery Area to the Project Area, while the 2001 review of the Implementation Plan coincided with the addition of the Mission-Foothill Amendment Area. In both cases, the Implementation Plan was modified to reflect the changes to the Project Area and to present a comprehensive and coordinated program for the Project Area as amended. The new Implementation Plan set forth herein will replace in its entirety the previous Implementation Plan for Hayward's Redevelopment Project Area.

Time Period Covered by the Implementation Plan

The planning period specifically covered by this Implementation Plan is the five year period from Fiscal Year 2004-05 through Fiscal Year 2008-09. In addition, information for later years is provided in the housing portion of the Implementation Plan, as required by the CRL. The affordable housing production plan contained in Section D below covers the five year period from FY 2004-05 – FY 2008-09, the ten year period through FY 2013-14, and a third period from FY 2014-15 through the end of the Redevelopment Plan.

Purpose of the Implementation Plan

The implementation of the Plan is intended to provide general guidance for the implementation of the Agency's redevelopment program. It is expected that particular constraints and opportunities, not fully predictable at this time, will arise the course of undertaking this program. Therefore, the Agency intends to use and interpret this Implementation Plan as a flexible guide. The Agency's specific projects and activities, as actually implemented over the next five years, may vary in their precise timing, location, cost, expenditure, scope, and content from those set forth in this document. As long as the underlying purpose and effect of the projects and activities, as actually implemented, are

consistent with the purpose and intended effect articulated in this Implementation Plan, an amendment to this Implementation Plan will not be required. This Implementation Plan is organized as follows:

- A. Background Information Regarding the Hayward Redevelopment Project Area ("Project Area").
- B. Goals and objectives of the Redevelopment Plan.
- C. Five year program for non-housing redevelopment activities, including the expenditures that the Agency intends to make for non-housing activities during the FY 2004-05 – FY 2008-09 Implementation Plan period.
- D. Affordable housing activities, including affordable housing production obligations, housing programs, housing set-aside revenues and expenditures, and five year annual projection goals.

Wherever possible the information is presented separately by the following three major sub-areas: 1) the Downtown Area;¹ 2) the Burbank-Cannery Area; and 3) the Mission-Foothill Area.

A. BACKGROUND

1. Project Area Description

The Hayward Redevelopment Project Area ("Project Area") consists of 1,348 contiguous acres of commercial, industrial, and residential land uses located in the downtown Hayward vicinity. This includes the original 222-acre Downtown Hayward Project Area and three subsequent additions commonly known as the 1987 Expansion Area (18 acres); the Burbank Cannery Area (370 acres); and the Mission-Foothill Area (738 acres). These three annexations were adopted in 1987, 1998, and 2001, respectively.

The Project Area contains several commercial districts including the downtown business district and the entire length of Mission Boulevard. In addition, the Project Area contains several governmental, cultural, and recreational facilities. There are also a number of residential neighborhoods in the Project Area.

2. Prior Accomplishments

1999-2003

There was a significant amount of activity in the Project Area during the five year period covered by the 1999-2003 Implementation Plan². A summary of the major Agency activities and accomplishments for each of the sub-areas is presented below.

¹ Includes the original Downtown Project Area, plus the 1987 annex.

² The previous Implementation Plan was based on calendar years 1999-2003. The current Plan uses fiscal years in order to conform better with other City and Agency planning documents and processes.

Downtown Area. The Downtown Project Area includes the historic downtown of Hayward, which was once a regional shopping destination. In 1992 the Downtown Design Plan was adopted in order to create a blueprint for responding to the variety of blighting conditions that resulted in a stagnant, decaying core. Today, this area is being re-made as a mix of residential, office, retail, and entertainment uses designed to create an exciting new downtown community that retains the best of its historic features.

The following is a description of Agency-sponsored projects that were developed in the Downtown area during the prior Implementation Plan period:

Albertson's/Sav-on Supermarket. In November 2001, construction was completed on this approximately 62,000 square foot food and drug supermarket. An additional approximately 18,000 square feet of retail space is located on B Street and at the corner of A Street and Mission Boulevard. This supermarket is located within walking distance of the BART station as well as several new residential developments.

City Walk Condominiums. Construction of this 77-unit "row house" community, located at the corner of C Street and Watkins Street next to City Hall and within walking distance of the Hayward BART station and the downtown shopping district, was completed in 2003 and all of the units are occupied.

Downtown Sidewalk Rehabilitation Project. This public improvement project consisted of the rebuilding and replacement of downtown sidewalks and the installation of street furniture and other design improvement to encourage pedestrian travel. The project was completed at the end of 2003.

Burbank-Cannery. This area consists of approximately 370 acres and is located primarily in the Burbank neighborhood just west of Downtown. This area includes the former Hunt-Wesson Cannery, which ceased operations in 2001.

Also in 2001, the City adopted the Cannery Area Design Plan in order to plan for the orderly transformation of the older industrial uses in that area. In developing the plan, numerous meetings and discussions were held in order to gain input from the public, affected property owners, the Hayward Area Recreation and Park District (HARD) and the Hayward Unified School District (HUSD). The focus of the plan for this expansion area is the redevelopment of approximately 55 acres which will include 630-775 housing units, including a variety of housing products, and including both market rate and affordable housing.

Successful implementation of the Cannery Plan is expected to require significant public and private investment, including construction of a new school to replace the existing Burbank Elementary School, and an expansion of the existing Cannery Park. These two projects, along with the provision of backbone infrastructure such as water, sewer, and streets/circulation improvements, will be financed by the Agency via long-term financing as discussed in Section C below.

A privately developed residential project, the Amador Village Condominiums, was completed during the term of the previous Implementation Plan period. This 155-unit residential rental condominium development was completed in 2000 and is within walking distance of the Hayward BART Station.

Mission/Foothill. This area consists of the entire length of Mission and Foothill Boulevards within the City of Hayward.³ The June 2001 Mid-Term Review of the Agency's Five Year Implementation Plan was adopted in conjunction with the adoption of this expansion area. This plan proposes revitalization strategies for selected older neighborhoods, including the development and installation of landscaped gateway and entryway treatments; housing rehabilitation and development of transit-oriented housing; preservation and enhancement of the Mission Boulevard "Auto Row"; establishment of a streetscape program to improve pedestrian amenities, public parking and transit; development and expansion of open space, cultural and community facilities; and the revitalization of the north Mission Boulevard Commercial Corridor.

1998-1993 Implementation Plan Period: Agency Non-Housing Revenues and Expenditures by Sub-Area

The following tables indicate the Agency's Non-Housing revenues and expenditures by Sub-Area. The Agency may legally spend its revenues anywhere within the Project Area, however, the Burbank-Cannery sub-area and the Mission-Foothill sub-area are significant additions to the Original Downtown Redevelopment Project with distinct revitalization needs. As a result, an effort will be made to ensure that expenditures in each sub-area will be approximately equivalent to the revenues generated from each sub-area over the life of the Project Area. The reporting prepared below are for non-housing revenues only. Under state law, the Agency is able to spend its affordable housing funds where they can be best used on a City-wide basis. In prior years, for example, a significant portion of the Agency's housing funds were spent on the City-wide First Time Buyer program.

Prior Implementation Plan Period Non-Housing Revenues

Fiscal Year	Downtown/ 1987 Area	Burbank/ Cannery	Mission/ Foothill	Other Revenue	Total
1998-99	1,898,983				1,898,983
1999-00	1,923,951			1,507,516	3,431,467
2000-01	2,079,561			3,670,382	5,749,943
2001-02	2,147,427	835,111		324,592	3,307,130
2002-03	2,454,434	1,063,588	572,701	328,525	4,419,248
2003-04	2,700,998	1,227,727	982,181	235,849	5,146,755
Total	\$13,205,354	\$3,126,426	\$1,554,882	\$6,066,864	\$23,953,526
% Total	55%	13%	6%	25%	100%

Source: Redevelopment Agency Financial Statements, and Annual Tax Increment Statements

³ A portion of the Mission/Foothill corridor was included within the original Downtown Project Area.

Prior Implementation Plan Period Non-Housing Expenditures

Fiscal Year	Downtown/ 1987 Area	Burbank/ Cannery	Mission/ Foothill	Debt	ERAF/ Pass Thru's	Admin	Total Expenditures
1998-99	3,411,590	89,074		525,950		290,052	4,316,666
1999-00	4,691,914			783,441		264,709	5,740,064
2000-01	617,210		227,018	707,773		550,877	2,102,878
2001-02	788,205	320,336		416,382		679,919	2,204,842
2002-03	2,350,000	172,835		344,397	275,333	765,722	3,908,287
2003-04	576,580			338,755	573,688	832,933	2,321,956
Total	\$12,435,499	\$582,245	\$227,018	\$3,116,698	\$849,021	\$3,384,212	\$20,594,693
%Total	60%	3%	1%	15%	4%	16%	100%

Source: Redevelopment Agency Financial Statements

Major non-housing expenditures during the prior Implementation Plan period were concerned with the assembly and development of Site Two (City Walk, and City Hall surroundings), Site Three – municipal garage and retail, the Albertsons project (fully reimbursed), the downtown sidewalk reconstruction, and the purchase of the B & Foothill site. There were additional expenditures in the Mission sub-area for plan amendment costs, and in the Cannery area for both planning purposes and land acquisition purposes. Land acquisition costs incurred by the Agency are reported separately in the Agency Financial Statements as increases to assets and liabilities on its balance sheet.

Fiscal Year 2004-05

A number of significant projects were completed or initiated in the Project Area during the recently concluded fiscal year. These recent accomplishments, including both Agency-assisted and private (non-Agency) projects, are described below.

Renaissance Walk Condominiums (Downtown Area). This Agency sponsored project includes 46 condominiums developed as a series of four-plex, tri-plex and duplex buildings by the Olson Company. Occupancy in 22 of the units is restricted by income and were sold as BMR units, while the remaining 24 units were sold at market rates. The Agency assembled and cleared this 17 parcel, 2 acre property and wrote the land cost down for the developer. This development was completed and all units sold by June 2005.

Hayward Cinema Place (Downtown Area). In 2003, the Agency acquired the former Albertson's market located at the corner of B Street and Foothill Boulevard. The Agency entered into a DDA with Blake Hunt Ventures in 2004, which was subsequently amended in 2005. The DDA calls for the ground lease of a portion of this property to the developer, and the building of a retail complex which will include a 12-screen theater plus additional restaurant and retail space, and for the Agency to develop a three-level garage with 241 spaces. Construction activities are expected to start in 2006.

Studio Walk (Downtown Area). This privately developed project consists of 70 condominium units located on Atherton Street. Construction of this development by Ryland Homes was completed in December 2004.

Grand Terrace Townhomes (Burbank-Cannery Area). This privately developed "row house" community within walking distance of the Hayward BART station, City Hall and the downtown shopping district was developed by the Pulte Company. The first phase of 161 units was completed and all units were sold by June 2004, and phase two, consisting of 74 units, was completed and sold in December 2004.

Auto Dealerships (Mission/Foothill). To date, private construction of an approximately 22,000 square foot Volkswagen dealership and an approximately 8,000 square foot Honda dealership expansion project have been completed. The Agency assisted the owners of Hayward Honda in their efforts to clear their site. In addition, the South Hayward BART/Mission Boulevard Concept Plan was initiated in 2004, and is expected to be adopted in early 2006.

B. GOALS AND OBJECTIVES OF THE REDEVELOPMENT PLAN

The central goal of the Redevelopment Plan is to:

"Provide an improved physical, social, and economic environment which will establish this area as a center of community activity, containing a viable mixture of commercial and residential development, open space, public and related uses."

Within this broad goal, the Redevelopment Plan identifies goals and objectives which emphasize the elimination of blighting conditions and constraints that interfere with successful revitalization and development of the Project Area. These include:

- a. Beautification and enhancement of the Project Area to create an improved visual environment and to promote comfort, convenience, safety, and visual unity.
- b. Creation of a safe and efficient transportation and traffic circulation system.
- c. Creation and/or expansion of off-street parking facilities, including surface lots and multiple story structures.
- d. Provision of public facilities which will be needed to support the revitalization of downtown which may include but will not be limited to public buildings, recreation facilities, open space, and utilities.
- e. Provision of expanded living and employment opportunities through the creation of suitable parcels of land for private development of housing and commercial uses.

The goals listed above emphasize the elimination of blighting conditions and constraints that interfere with successful revitalization and development of the Project Area. In

addition to these goals, the Agency has identified the following specific objectives for each of the two new sub-areas:

Burbank-Cannery

- To preserve and enhance established residential areas, with particular attention to preserving significant structures and landscaping resources of the B Street corridor, between Grand Street and Burbank Street.
- To implement the goals and policies of the City's General Plan and the Burbank and Santa Clara Neighborhood Plans.
- To promote appropriate re-use of existing obsolete buildings where possible.
- To consider projects that eliminate conditions of blight, provide needed infrastructure or other public improvements, or address issues of land use incompatibility.

Mission-Foothill

- Develop attractive entryways to identify neighborhood and City entrances.
- Increase the amount and upgrade the quality of open space, public parks, and recreational and community facilities.
- Support quality affordable and market rate housing.
- Institute a program to improve, establish and upgrade pedestrian amenities, public parking, transit and other circulation improvements along arterial roadways.
- Attract neighborhood-serving commercial uses.
- Install public improvements as needed in neighborhood areas.
- Support commercial developments that increase the revenue base, create jobs and serve the needs of the community.
- Seek ways to improve the capacity of auto dealerships by clustering uses, developing common area facilities, and implementing streetscape, signage, and promotional programs.
- Develop a conceptual mixed use improvement plan for the area around the South Hayward BART station.

Through the non-housing and housing activities described below, the Agency will implement the Redevelopment Plan to achieve its goals in accordance with the purposes and policies of the CRL as well as the City's General Plan and Growth Management Plan.

C. NON-HOUSING REDEVELOPMENT ACTIVITIES

The CRL requires that the Implementation Plan address the following areas:

1. Blighting Conditions Which Will Be Alleviated by Redevelopment
2. Agency Non-Housing Activities and Costs over the Five Year Planning Period

3. Projected Five Year Implementation Plan Revenues and Expenditures
4. Relationship Between Projects and Blighting Conditions

1. Blighting Conditions Which Will Be Alleviated by Redevelopment

The Implementation Plan must provide an explanation of how the goals, objectives, programs and expenditures of the next five years will serve to eliminate blight in the Project Area. As background, it is first useful to summarize the blighting influences that affect the Project Area.

The Project Area has been improved substantially by public and private actions since the adoption of the Redevelopment Plan in 1975. However, blighting conditions described in the original Report on the Plan as well as subsequent amendments to the Plan continue to affect the Project Area. These conditions include the following:

Downtown Area

- A relatively high commercial vacancy rate in downtown buildings
- Property underdevelopment
- A number of deficient and substandard buildings

Burbank-Cannery

- Poorly maintained, deteriorated residences
- Deteriorated and dilapidated industrial buildings and outbuildings
- Back lot developments that appear to be overcrowded
- Incompatible uses or impaired investments
- Substandard lots
- Presence of hazardous materials
- Vacant or underutilized land

Mission-Foothill

- Severely deteriorated structures
- Properties with hazardous materials contamination
- Structures with insufficient seismic foundation connections
- Community preservation violations
- Obsolete commercial and residential properties
- Inadequate public infrastructure
- Small and irregularly shaped parcels
- Higher percentage of absentee ownership than other parts of the city
- Overcrowded dwelling units

2. Agency Non-Housing Activities Over the Five Year Planning Period

As described above, the Project Area suffers from a variety of physical and economic blighting conditions. These conditions must be reversed in order for Hayward to attain its full economic potential. For each of the three major sub-areas, this section describes the specific projects and activities in the Redevelopment Program for the current Implementation Plan period. For each of the proposed activities, cost estimates are provided in the accompanying tables. The nature and scope of the projects and expenditures were determined primarily by the Agency's objectives for the Project Area, available revenues for funding projects and activities, and blighting factors to be eliminated within the Project Area. Through its annual budget process, the Agency will translate the objectives and projects described in this section into specific budget expenditures allocated between the three sub-areas using the non-housing funds that are expected during the Implementation Plan period. Thus, actual expenditures in any year will vary subject to the annual budget process.

Downtown

Agency-sponsored Activities

1. Participate in the development of Cinema Place, an entertainment-oriented development located at the southwest corner of B Street and Foothill Blvd. The proposed project includes a multi-screen movie theater, parking garage, and ancillary retail and restaurant uses.
2. Construction of significant downtown parking improvements, including:
 - Construction of municipal parking in conjunction with the cinema project;
 - Municipal Lot 2 Improvements/Expansion (completed in June 2005).
 - An additional level of parking to the parking structure across from City Hall
(completed in June 2005)

Other Activities

In addition to the proposed Agency activities shown above are a variety of collaborative efforts by the City, other governmental entities, and the private sector to improve and revitalize the community, including but not limited to the following activities:

- Development of a Tot Lot at the site of the Historic former City Hall;
- Rehabilitation of seismically unsafe building(s);
- Relocation of the Hayward Area Historical Society to a new downtown location.

Table 1
Project Cost Estimates - Downtown Area
Five Year Implementation Plan Period, FY 2005-2009
(in thousands)

Proposed Project	Estimated Cost
Cinema Place (environmental remediation, etc.)	\$100
Downtown Parking Improvements	
• Municipal Lot 2 Expansion (completed in FY 2004-05)	\$1,700
• Addition to City Hall Parking Garage (completed in FY 2004-05)	\$3,500
• Construction of New Garage at C & Foothill	\$5,500
Total Estimated Cost	\$10,800

Burbank/Cannery

Agency-Sponsored Activities

1. Construction of a new Burbank Elementary School in conjunction with Hayward Unified School District.
2. Redesign and expansion of Cannery Park in conjunction with Hayward Area Recreation District.
3. Installation of public streets and backbone infrastructure surrounding the proposed new elementary school and Cannery Park, including water, sewer, parking improvements, and gateway landscaping.

Other Activities

Again, the Agency anticipates a number of other initiatives sponsored by the City, and the private sector to improve and revitalize the area, including but not limited to the following activities:

1. Promote the Redevelopment of the Cannery properties south of Burbank Elementary School
2. Promote the re-use or redevelopment of the Owens-Brockway glass manufacturing facility on Hathaway for the retail development.

Table 2
Project Cost Estimates – Burbank/Cannery
Five Year Implementation Plan Period
FY 2004-05 – 2008-09
(in thousands)

Proposed Project	Estimated Cost
1. Public Improvements/Infrastructure	\$6,000
2. New Burbank Elementary School	\$25,600
3. Cannery Park Renovation/Expansion	\$4,700
Total Estimated Cost	\$36,300

Mission/Foothill

Agency-Sponsored Activities

1. Complete a concept plan for the South Hayward BART Station area that extends along Mission Boulevard from Harder Road to the Mission-Industrial intersection.
2. Develop a revitalization strategy for the North Mission Boulevard commercial corridor that is coordinated with the Alameda County redevelopment plan.
3. Develop a unique, high visibility banner program for Mission Boulevard to create identity and focus for the historic Hayward Auto Row.
4. Facilitate creation of a neighborhood park in the P.G. & E. corridor south of Orchard between the BART tracks and O'Neil.
5. Develop revitalization strategies for selected older neighborhoods, such as the area between Mission, East 16th, Calhoun and Webster in the Mission-Garin neighborhood. Activities could include infrastructure improvements such as installation of curb, gutter and sidewalk; housing rehabilitation; and landscape beautification.

Table 3
Project Cost Estimates – Mission/Foothill
Five Year Implementation Plan Period, FY 2005-2009
(in thousands)

Proposed Project	Estimated Cost
1. Prepare concept plan for South Hayward BART area	\$290
2. Revitalization strategy for North Mission Commercial Area	\$150
3. Banner program for historic Auto Row	\$50
4. Neighborhood park south of Orchard and west of O'Neil	\$500
5. Revitalization strategy for older neighborhoods and initiation programs	\$200
Total Estimated Cost	\$1,190

3. Projected Five Year Implementation Plan Revenues and Expenditures

a) Projected Revenues

As shown in Table 4 below, the total tax increment funding available in the Project Area for non-housing administration, debt service, and pay-as-you go projects during the five year Implementation Plan period is projected to be approximately \$32 million, or about \$6.4 million per year on average. These amounts are net of the 20% affordable housing set-aside funds as well as the statutory pass through payments to other taxing entities. Table 4 shows the projected tax increment revenues by sub-area for the five year Implementation Plan period.

Table 4
Projected Non-Housing Revenues
Five Year Implementation Plan Period, FY 2005-2009
(000s omitted)

Year	Downtown	Burbank / Cannery	Mission / Foothill	Total
2004/05	\$2,665	\$1,023	\$847	\$4,535
2005/06	\$3,209	\$1,792	\$1,168	\$6,169
2006/07	\$3,346	\$1,935	\$1,345	\$6,626
2007/08	\$3,457	\$2,081	\$1,498	\$7,036
2008/09	\$3,571	\$2,235	\$1,658	\$7,464
Total	\$16,248	\$9,066	\$6,516	\$31,830
% of Total	52%	28%	20%	100%
5-Yr. Avg.	\$3,250	\$1,813	\$1,303	\$6,366

Source: Hdl Coren & Cone Agency Projections May 2005

In accordance with the Agency's practice of allocating its available non-housing revenue stream towards significant redevelopment projects, the Agency issued tax allocation bonds in May 2004. The Agency's \$44.7 million Tax Allocation Bonds, Series 2004 consist of the following uses: a) \$4.3 million escrow to defease prior debt obligations and refinance at a net cost savings due to lower interest rates; b) a \$37.1 million construction fund to pay for Agency-sponsored capital improvement projects requiring lump-sum financing; c) a reserve account of \$3.4 million to provide additional security to bondholders.

b) Projected Expenditures

The Redevelopment Program has been designed to meet the CRL requirement that Agency expenditures be linked to the elimination of blighting conditions. In addition, the projects and activities are intended to reflect the goals which are contained in the Redevelopment Plan. Finally, the Program attempts to strike a reasonable funding balance between the three major sub-areas.

As noted above, the Agency anticipates net tax increment revenues available for non-housing activities of approximately \$6.4 million per year over the 5-year Implementation

Plan period. The Agency is allocating tax increment revenues of approximately \$3 million per year towards debt service payments on its Series 2004 Tax Allocation Bonds, while about \$2.5 million per year is needed for operating expenses and other recurring obligations. The primary source of funding for major projects during the Implementation Plan period, including the expansion of downtown parking facilities, the new Burbank Elementary School, the Cannery Park expansion, and other public improvements associated with implementation of the Cannery Area Plan is anticipated to be the \$37.1 million in bond proceeds. The Agency has a current cash balance of approximately \$7.4 million, which represents an additional source of funds for new projects during the Implementation Plan period, bringing the total amount of available funding to approximately \$45 million.

Over the next five years, the Agency will undertake redevelopment activities that its revenue stream can financially support. It is expected that the majority of Agency tax increment revenue over the five-year Implementation Plan period will be required to pay debt service on the aforementioned Series 2004 Tax Allocation Bonds, in addition to Agency administrative costs and other existing debt service.

Table 5 provides a projection of Agency expenditures by sub-area for each year of the Implementation Plan period.

Table 5
Projected Non-Housing Expenditures
Five Year Implementation Plan Period, FY 2005-2009
(in thousands)

Project	Downtown	Burbank Cannery	Mission Foothill	Total
Economic Development				
• Cinema Place	\$100			\$100
• Revitalization Programs			\$350	\$350
• South Hayward BART Plan			\$250	\$290
• Auto Row Banner Program			\$50	\$50
			\$200	\$200
<i>Subtotal - Economic Development</i>	<i>\$100</i>	<i>\$0</i>	<i>\$850</i>	<i>\$990</i>
Public Improvements				
• Burbank Elementary School		\$29,000		\$29,000
• Public Infrastructure		\$6,000		\$6,000
• Cannery Park		\$4,000		\$4,000
• Parking Facilities				\$10,700
• Neighborhood park			\$400	\$400
	\$10,700			
<i>Subtotal - Public Improvements</i>	<i>\$10,700</i>	<i>\$39,000</i>	<i>\$400</i>	<i>\$50,100</i>
Grand Total	\$10,800	\$39,000	\$1,250	\$51,090
Percent of Total	20%	77%	3%	100%

4. Relationship between Revenues and Expenditures by Sub-area

While the Redevelopment Program seeks to maintain a reasonable balance between the sub-areas, achieving a balance between the revenues generated by a sub-area and the

funds expended is difficult in the short term due to the very nature of tax increment financing. In any given year or even over a longer timeframe such as the five year implementation plan period, there may not be a close correlation between revenues and expenditures by sub-area. Over time, however, through successful implementation of redevelopment projects and programs, the Agency will balance the funding scales between the sub-areas as revenues generated in a sub-area where redevelopment has already occurred (e.g. Downtown) are used to stimulate redevelopment of another sub-area (e.g. Cannery Area), which in turn will result in increased tax increment revenues that can be used in the third sub-area (e.g. Mission/Foothill).

Currently, the Agency's Downtown Sub-area generates just over half of all tax increment revenues in the Project Area, with the Burbank/Cannery Sub-area and the Mission/Foothill Sub-area each generating approximately one-quarter of the revenues. These percentages are expected to shift during the course of the Implementation Plan period and beyond as redevelopment occurs. Implementation of the Cannery Area Plan and the South Hayward BART Plan will substantially increase the relative share of tax increment revenues generated by the Burbank/Cannery and Mission/Foothill sub-areas, whereas tax increment revenues in the Downtown sub-area are expected to increase at a more moderate pace.

Approximately \$11 million has been allocated towards the expansion of parking facilities in the Downtown Sub-area, including the addition of a third level to the City Hall parking structure, expansion of Municipal Lot No. 2, and construction of a new municipal parking garage located next to Cinema Place.

Expenditures in the Mission/Foothill Sub-area over the next five years will consist of several smaller revitalization projects and programs as described above, including a major planning study that is currently underway. This study, known as the South Hayward BART/Mission Boulevard Concept Plan, comprises 240 acres of vacant or underutilized land surrounding the South Hayward BART station and along Mission Boulevard between Harder Road and Industrial Parkway. As with the Cannery Area Plan, this community planning effort is a necessary first step towards substantial rehabilitation and redevelopment of the area.

5. Relationship between Projects and Blighting Conditions

As previously described, there are detrimental physical and economic conditions in the Project Area. The Agency proposes to alleviate these conditions by undertaking the program of public improvements and public-private partnership activities described above. Together, these programs will stimulate new development and rehabilitation activities in the Project Area not only in the next five years, but throughout the lifetime of the Redevelopment Plan.

Successful implementation of the Project will also result in expanded economic activity in the Project Area and in the surrounding community. Such activity may increase the number of local employment opportunities, expand the community's tax base for the

support of essential services, and reduce the costs to the City of providing some services. This in turn will spark additional investment in the community.

Project implementation is also anticipated to provide for the rehabilitation of dwelling units available to low- and moderate-income residents in those areas with severe residential deterioration, as described in Section D of this Implementation Plan.

The projects listed earlier in this section will address blighting conditions in a number of ways:

1. The construction of community facilities in the Burbank/Cannery area will facilitate the redevelopment of obsolete and deteriorated/dilapidated industrial buildings as envisioned in the Cannery Area Design Plan. Construction of a new Burbank Elementary School is a necessary precondition for successful implementation of the residential component of the Cannery Plan, as the current school cannot accommodate the additional student population generated by the construction of between 630 and 775 new housing units in the area.
2. Various street improvements will improve circulation through and within the Project Area, thus reducing traffic congestion and easing access to parcels. Expanded parking facilities in the downtown will help attract customers to the commercial portions of the Project Area. Roadway and parking improvements also help attract new investment by signaling to the financial, residential, investment and commercial communities that the Agency is willing to provide the services necessary to help ensure the success of investments.
3. Landscaping and other aesthetic enhancements improve the visual quality of various residential and commercial neighborhoods. This, in turn, has the effect of helping to induce new investment or reinvestment through improved community image and pride. Improved visual image often attracts more customers to local stores, which increases local sales. These improved sales increase the value of previously impaired investments, and help make more capital available for reinvestment in local businesses. Increased local pride often results in a patrol effect that helps to reduce local crime, especially crimes against property.
4. Improved recreational opportunities resulting from proposed park improvements, including the expansion of Cannery Park and development of a neighborhood park in the Mission Boulevard corridor, will enhance the living environment for local residents. This improved quality of the environment will result in improved property values, greater neighborhood pride, and increased reinvestment in residential neighborhoods within the Project Area.
5. Business marketing programs, such as the banner program for the Hayward Auto Row, are intended to reduce blight by helping existing businesses to market themselves, and to expand or improve their competitiveness by attracting new customers into the Project Area. Business expansions also create new jobs, which will help improve local employment opportunities. This in part will have the

result of reducing local crime, while improving disposable incomes and local sales.

6. Conceptual design planning and the creation of a revitalization strategy and for the north Mission Boulevard corridor and the south Hayward BART area will promote redevelopment or rehabilitation activities that could eliminate deteriorated buildings, buildings of poor or obsolete design and inadequate signage, building vacancies, lack of curbs, gutters and sidewalks, lack of trees and landscaping, and irregular parcels.

D. AFFORDABLE HOUSING ACTIVITIES

State redevelopment law requires the Agency to describe its housing production obligations, resources available to support housing production and a specific plan for meeting the obligations as part of the five-year implementation plan. This section of the Implementation Plan will address the following issues:

1. State redevelopment law as it pertains to affordable housing requirements;
2. Low and Moderate-Income Housing Fund revenues and expenditures;
3. The affordable housing production obligation for the original redevelopment area and each expansion area;
4. Affordable housing production goals, objectives, and programs;
5. Annual housing production activities for the period of FY 2004-05 through FY 2008-09.

1. State Redevelopment Law Requirements

Housing Fund Requirement:

State law requires that 20 percent of tax increment revenue generated in redevelopment project areas must be set aside in a Low and Moderate-Income Housing Fund (LMIHF). Monies deposited in this fund must be used for the creation or substantial rehabilitation⁴ of housing made affordable to low and moderate-income households. A full description of the housing fund is presented in part 2 of this Section D of the Plan, including an estimate of the amounts to be deposited in the LMIHF and expenditures from the fund.

Housing Production Requirement:

State law requires that a portion of all residential units either constructed or substantially rehabilitated within the Project Area be made affordable to low and moderate-income households. The production requirement applies to units developed by the Agency and by

⁴ State law defines "Substantially Rehabilitated" as rehabilitation of any residential unit in which the cost of the rehabilitation work has a value of at least 25% of the after-rehabilitation value of the unit. This definition may be found at Health and Safety Code section 33413.3 (b)(2)(A)(iii).

private developers. However, in the case of Agency-developed projects, a larger percentage of units must be made affordable. The following is brief description of the production requirements:

- **Agency Developed Housing:** 30 percent of all housing developed or substantially rehabilitated by the Agency must be made affordable to households earning no more than 120 percent of the area median income. Of these units, one half (or 15 percent of the total development) must be made affordable to households earning no more than 50 percent of the area median income.
- **Privately Developed Housing:** 15 percent of all housing developed or substantially rehabilitated by a private entity must be made affordable to households earning no more than 120 percent of the area median income. Of these units, 40 percent (or 6 percent of the total development) must be made affordable to households earning no more than 50 percent of the area median income.
- **Proportion of Affordability:** Affordable units created in residential developments must be made affordable to very low and low income households in proportion to the ABAG Regional Housing Needs Determination for the City of Hayward.
- **Duration of Affordability:** State law requires that affordability restrictions be recorded against units created to meet production requirements for the longest feasible time. Typically, this means for at least the duration of the Project Area. The Project Area is set to expire in 2031. However, most housing developments that have received an allocation from the LMIHF have long-term affordability restrictions recorded against them that end after the expiration of the Project Area.
- **Replacement Housing Requirement:** When residential units occupied by low or moderate-income households are removed from the housing stock by Agency action, the Agency must replace those units within four years with new or substantially-rehabilitated units with an equal or greater number of bedrooms.

Under State law, housing production requirements only apply to residential development within redevelopment project areas that were established on or after January 1, 1976. Therefore, the production requirements do not apply to the original Downtown Project Area because it was established in 1975. However, the requirements do apply to the three expansion areas that were each added after January 1, 1976.

State law makes reference to “affordable housing cost” as a component of the housing production requirement. Affordable housing cost is defined as the percentage of monthly household income spent on housing expenses. In the case of rental housing, “housing cost” includes rent and an allowance for utility costs. For ownership housing, it includes principal, interest, taxes and insurance and condominium or homeowner association fees if applicable. The State of California has adopted the U.S. Department of Housing and Urban Development (HUD) income definitions. Traditionally, the federal standards for each income category have been on the Area Median Income (AMI) and are defined as:

- Extremely Low-Income: 30% of AMI
- Very Low-Income: 50% of AMI
- Lower-Income: 80% of AMI
- Moderate-Income: 120% of AMI

These income categories are used to determine the eligibility of households to occupy affordable units developed or substantially rehabilitated using monies from the LMIHF. Any program or project financed using the LMIHF must serve very low- and moderate-income households.

A residential unit developed to meet State housing production requirements must be made affordable to very low and moderate-income households. The “cost” of that unit (rent less a utility allowance or, in the case of ownership developments, principal, interest, taxes and insurance (PITI) plus condominium or home owners association fees if applicable) must not exceed the State-defined “affordable housing cost.” Typically, for rental housing the affordable housing cost may not exceed 30 percent of a household’s gross monthly income and for ownership housing it may not exceed 35% of the gross monthly income. Although the State of California defines “low income” as no greater than 80% of AMI⁵ and defines “moderate income” as no greater than 120% of AMI, the percentage of AMI used to determine affordable housing cost for each income category is not the same that is used to define each category.

The following table illustrates “affordable housing cost” for low and moderate-income households for both rental and ownership housing for lower and moderate-income households:

Table 6
Affordable Housing Cost Defined

Income Category	Rental Housing		Ownership Housing	
	Household Income as % of AMI	% of Income Spent on Housing	Household Income as % of AMI	% of Income Spent on Housing
Extremely Low-Income	30%	30%	30%	30%
Very Low-Income	50%	30%	50%	30%
Low Income	60%	30%	70%	30%
Moderate-Income	110%	30%	110%	28 to 35%

Source: California Health and Safety Code, Section 50052.5 and 50053

⁵ Currently, this amount is defined by HUD and may exceed 80% of AMI.

The following two tables illustrate affordable housing costs for 1, 2, 3 and 4 person households for both rental and owner-occupied housing based on 2005 income limits.

Table 7
2005 Affordable Monthly Housing Cost for Rental Units

Income Category	Annual Income Used to Determine Housing Costs				Maximum Affordable Rents (Net of Utility Allowance)			
	1 Person Household	2 Person Household	3 Person Household	4 Person Household	1 Person Household	2 Person Household	3 Person Household	4 Person Household
Extremely Low-Income	\$17,400	\$19,850	\$22,350	\$24,850	\$351	\$412	\$472	\$507
Very Low-Income	\$28,800	\$32,900	\$37,000	\$41,100	\$636	\$739	\$841	\$914
Low Income (60%)	\$34,500	\$39,500	\$44,400	\$49,300	\$779	\$904	\$1,026	\$1,119
Moderate-Income (110%)	\$63,300	\$72,300	\$81,400	\$90,400	\$1,499	\$1,724	\$1,951	\$2,146

Note: Affordable Monthly Rents are based on 2005 Income Limits. These limits change annually. For current income limits, please contact the Department of Community and Economic Development.

Table 8
2005 Income Levels and Affordable Monthly Housing Cost for Ownership Unit

Income Category	Annual Income Used to Determine Housing Costs				Maximum Affordable Monthly Housing Cost <i>Includes Principle, Interest, Taxes, Insurance</i>			
	1 Person Household	2 Person Household	3 Person Household	4 Person Household	1 Person Household	2 Person Household	3 Person Household	4 Person Household
Extremely Low-Income	\$17,400	\$19,850	\$22,350	\$24,850	\$435	\$496	\$559	\$621
Very Low-Income	\$28,800	\$32,900	\$37,000	\$41,000	\$720	\$823	\$925	\$1,025
Low Income (70%)	\$40,300	\$46,000	\$51,800	\$57,500	\$1,008	\$1,150	\$1,295	\$1,438
Moderate-Income (110%)	\$63,300	\$72,300	\$81,400	\$90,400	\$1,583	\$1,808	\$2,374	\$2,637

Note: Affordable Monthly Housing Costs are based on current (2005) Income Limits. These limits change annually. For current income limits, please contact the Department of Community and Economic Development.

2. Revenues and Expenditures

Table 9 presents the anticipated annual tax increment deposits into the Low and Moderate-Income Housing Fund (LMIHF). These amounts are based on projected tax increment revenue and are subject to change due to future economic conditions.

Table 9
Projected Low and Moderate-Income Housing Fund Deposits 2005-2009 (in thousands)

	2004-2005 (actual)	2005- 2006	2006- 2007	2007- 2008	2008- 2009	Total
Deposit Amount	\$1,297	\$1,802	\$1,948	\$2,083	\$2,223	\$9,353

Source: HDL Coren & Cone Fiscal Report, May 3, 2005

3. Affordable Housing Production Obligation

As discussed earlier in this plan, the affordable housing production requirement applies to redevelopment project areas and added areas adopted on or after January 1, 1976. Any residential developments constructed or substantially rehabilitated within a project area, or an expansion to an existing project area established after January 1, 1976 areas are subject to the production requirements. The Agency is not obligated to produce any affordable units in the original Project Area because it was established prior to January 1, 1976.

To date, over 800 residential units have been constructed in the Project Area. Table 10 summarizes residential development activity within the Project Area through FY 2004-05:

Table 10
Completed Residential Development Activity

	Pre 1999	1998- 1999	1999- 2000	2000- 2001	2001- 2002	2002- 2003	2003- 2004	Total
TOTAL UNITS	145	192	155	0	8	152	98	750

According to State law, 113 affordable units were needed to meet the housing production requirement for the term of the previous Implementation Plan (1999-2003). A total of 107 price-restricted affordable units were created through the prior development of: EC Magnolia (21 units), Glen Eden (36 units) and Glen Berry (50 units). Each of the developments were developed by Eden Housing and provide permanent, affordable rentals to low and moderate-income households. The six unit deficit of affordable housing units will be accounted for during the term of the current Implementation Plan.

The housing production requirement for the term of the FY 2004-05 – FY 2008-09 Implementation Plan is based on an estimate of residential development activity within the Project Area. This estimate is based on projects that are currently under construction, plans for projects submitted to the City of Hayward for development review and future development plans

not yet submitted for review but reasonably anticipated within this period. Based on this analysis, the Agency projects approximately 960 residential units will be constructed in the Project Area within the five year period beginning in FY 2005. The following table identifies residential.

Table 11
Projected Residential Development Activity FY 2005-2009

	2004-2005 (completed)	2005- 2006	2006- 2007	2007- 2008	2008- 2009 ⁶	TOTAL
TOTAL	71	57	105	11	715	960

Source: City of Hayward Neighborhood and Economic Development Division

The following table illustrates the estimated number of affordable units that must be produced to satisfy the housing production requirement based on an estimate of residential development within the Project Area during the term of the Implementation Plan:

Table 12
Affordable Housing Production Requirements and Planned Development, FY 2005-2009

	Planned Total Units	Planned Market Rate Units	Planned Affordable Units	Required Affordable Units (15% of Total)	Projected Surplus Affordable Units *
TOTAL	960	780	180	144	30

Source: City of Hayward Neighborhood and Economic Development Division.

** The projected surplus of 30 affordable units accounts for the six unit deficit from the previous Implementation Plan.*

The affordable housing production requirement calls for the creation of units affordable to very low- to moderate-income households. The previous table illustrated the total number of affordable units that will need to be created during the term of this plan. The following table provides additional detail about the specific amount of units affordable to very low, low and moderate-income households that will need to be created.

Table 13
**Projected Very Low & Low and Moderate-Income Production Requirements
FY 2005-2009**

	Very Low-Income Units			Low and Moderate-Income Units		
	Required	Created or Planned	Balance	Required	Created or Planned	Balance
TOTAL	57	79	22	87	101	14

Source: City of Hayward Neighborhood and Economic Development Division

⁶ The completion date for these projects cannot be specified but it is anticipated these projects will be completed during the term of this plan.

4. Affordable Housing Production Goals, Objectives and Programs

State law requires that the Agency describe how the goals, programs and expenditures presented in the Implementation Plan will meet the affordable housing production requirements for each Plan year. This section will present the overall goals, and the specific housing program which sets out these goals. The specific activities to implement the program during the term of this plan are presented below in Part 5 of this Section D.

Housing Production Goals

It is the goal of this plan to ensure that the affordable housing production requirement be met for each new or substantially rehabilitated residential development in the Project Area. The Agency will also continue to support efforts to increase the percentage of Hayward residents who are home owners.

Housing Program

The LMIHF will be used to support development opportunities which help meet the affordable housing production requirement. Financial assistance to private for-profit and non-profit developers may include loans for property acquisition, development, renovation, on and off-site improvements, predevelopment costs and development fees. It is anticipated that the developers of each new residential project will comply with affordable housing production requirements.

Staff anticipates approximately 960 units will be constructed in the Project Area during the term of the 2005-2009 Implementation Plan. A total of 144 of these units will need to be made affordable to meet the affordable housing production requirement. According to Staff analysis there will be a total of 180 affordable units created during 2005-2009. Thus, after deducting the six unit deficit from the prior period, the total estimated affordable units to be produced during the term of this Plan will exceed by 30 the number of units that would need to be created to meet State law. The excess number of affordable units is the result of the Sara Conner Court development on Mission Boulevard in Expansion Area 3, in which all of the units will be made affordable to very low and low-income households. This development will exceed its affordable production requirement and create a surplus of 18 affordable units.

All of the projects completed prior to 2005 and all proposed units to be added in the Project Area are new construction projects. To date, the Agency has found that it to be more cost effective to provide strategic financial assistance to private developers, as needed, than to act as the developer to produce affordable housing. Therefore, all of the residential development within the Project Area was completed by private developers.

The majority of anticipated residential development activity within the Project Area during the term of this plan will be located in the Burbank-Cannery sub-area. All new development within this area is guided by the Cannery Area Design Plan. This plan was approved by the Hayward City Council in 2001 and will guide residential and commercial development within Area 2 during the term of the Implementation Plan. The Agency anticipates that LMIHF resources along with other potential sources may be used to assist private developers with new construction projects that implement the Cannery Area Design Plan. When completed, this plan calls for the

construction of 680 to 860 new residential units. All residential development described in this plan will be subject to the affordable housing production requirement.

To assist in the development of affordable housing, the Agency will support the following programs:

Program 1: Where appropriate, provide assistance to developers creating long-term affordable rental and ownership housing

The Agency will provide financial and other related assistance to private developers creating long-term affordable housing. LMIHF resources will be used to purchase land, provide below market-rate financing and fund selected eligible off-site improvements.

Program 2: Provide assistance to low and moderate-income first-time homebuyers

Since 1995 the City's First-Time Homebuyer Assistance Program has successfully helped many low and moderate-income households purchase homes throughout the City. The benefits of this program are manifold – providing an improved quality of life for the participating households and increasing the stability and quality of the City's neighborhoods by raising the percentage of Hayward residents who are homeowners. By providing down payment and closing cost assistance and monthly homebuyer educational seminars, the Agency can leverage LMIHF resources and provide the benefits of homeownership to a significant number of eligible households.

Consistency with the Housing Element

Agency housing goals, objectives and implementing programs as presented in this Plan will be consistent with the City of Hayward General Plan Housing Element. The Housing Element presents policies and strategies to meet the Association of Bay Area Government's Regional Housing Needs Determination for the period 1999-2006 for the City of Hayward. The Hayward City Council adopted the Housing Element in October 2003. The California Department of Housing and Community Development certified the Housing Element is in compliance with applicable State laws in January 2004.

In developing the affordable housing program for this Implementation Plan, the Agency has considered the following relevant Housing Element policies:

Housing Element Goal: Expand the Housing Supply

Policy: Encourage the provision of an adequate supply of housing units in a variety of housing types which accommodate the diverse housing needs of those who live or wish to live in the city.

Housing Element Goal: Preserve Owner-Occupied Housing

Policy: Encourage the development of ownership housing and assist tenants to become homeowners in order to reach a 70% owner-occupancy rate, within the parameters of Federal and State housing law.

Housing Element Goal: Develop Affordable Housing

Policy: Ensure that the City's housing stock contains an adequate number of decent and affordable units for households of all income levels.

5. Annual Housing Production Activities FY 2005-09

The Agency will support programs and strategic projects consistent with State law and the Housing Element to preserve and facilitate the development of housing affordable to low and moderate-income households. The Agency plans to achieve its affordable housing production goals during the term of this plan by enforcing affordable housing production requirements and supporting developments which include units with long-term price restrictions. Throughout the Implementation Plan period, the Agency will monitor all other private residential development activity within the Project Area to ensure annual compliance with any applicable affordable housing production requirements.

The Agency will annually allocate \$200,000 from the LMIHF to the First-Time Homebuyer Assistance Program. The Program will provide assistance to approximately 10 low and moderate-income homebuyers each year, contingent on market conditions and the number of applicants.

The following is a chronological listing of significant programs and projects which will be conducted to support the goals of the Implementation Plan:

2004-05: The Olson Company completed the construction of the Renaissance Walk town homes in the spring of 2005. This development is located in Expansion Area 1. It consists of 46 ownership units including 22 price-restricted units affordable to moderate-income households. The affordability restrictions will be in place for a 45-year term. State affordable housing production requirements for this development call for the creation of 7 affordable units. The 22 affordable units exceed the State mandated number of affordable units and result in a surplus of 15 affordable units, which may be applied to other developments that do not include affordable units.

2005-06: Eden Housing, Inc. will complete construction of the Sara Conner Court multifamily housing development located in Expansion Area 3. It will consist of 57 units of permanently-affordable multifamily housing. The units will be made affordable to Very Low-Income households (41 units) and Low Income households (16 units). Up to \$1,750,000 from the LMIHF has been allocated to this project. State affordable housing production requirements for this development call for the creation of 9 affordable units. The 57 affordable units that will be created will exceed the State mandated number of affordable units and result in a 48 unit affordable unit surplus which may be applied to other developments which do not provide affordable units.

2006-07: Staff anticipates the completion of a single residential development within the Project Area during 2007. This development of the former Select Foods site will produce a total of 105 market-rate units. There are no provisions for any affordable units in this development. The outstanding balance of 16 affordable units will need to be met by other developments.

2007-09: There are a number of residential developments in the planning stages that are anticipated to be completed during the term of the Implementation Plan and will be located within the Project Area. In terms of major residential projects, analysis of current development activity indicates a private developer will soon begin construction of approximately 350 units in the Cannery Area. It is anticipated that the developer will provide approximately 57 affordable units in response to the affordable housing production requirement. The actual number of both market rate and affordable units to be developed is difficult to estimate at this time, but at least 15% of the total units will be made affordable. While difficult to specify the exact year, completion of this development is likely to occur during final two years of the Implementation Plan. In addition, staff anticipates the completion of one or more additional developments within the Cannery Area. It is anticipated that these developments will create approximately 280 units. The 15% affordable housing request will be applied to them as well.

The following table presents the affordable housing goals for the Implementation Plan:

Table 14
Estimated LMIHF Expenditures⁷ and
Affordable Housing Production Goals FY 2005-2009

Housing Goal	Year					TOTAL
	2004-05	2005-06	2006-07	2007-08	2008-09	
Expand The Housing Supply	95		105		160 ⁸	436
LMIHFs Expended					\$3,190,000	\$3,190,000
Support Homeownership	10	10	10	10	10	50 ⁹
LMIHFs Expended	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000
Develop Affordable Housing	22	57			40 ¹⁰	119
LMIHFs Expended		\$1,750,000	\$400,000		\$3,190,000	\$5,090,000

Source: City of Hayward Redevelopment Agency

2009-14: As discussed earlier in this Plan, the majority of residential development in Expansion Area 2 will be guided by the Hayward Cannery Area Design Plan. This plan calls for the development of 680 to 860 residential units, about two thirds of which are anticipated to be built by the end of FY 2008-09. The remaining approximately 150 units are expected to be constructed in the FY 2009-2014 timeframe. All residential development in this area will be subject to the affordable housing production requirements. It is anticipated that affordable units will be created as development occurs in accordance with this plan. It is possible that private developers may seek assistance from the Agency in order to ensure the financial feasibility of developments which include affordable housing units.

⁷ Estimated expenditures do not include annual administration expenses.

⁸ Units will be made affordable to Low and Moderate-Income households.

⁹ Total households assisted.

¹⁰ Units will be made affordable to Very Low-Income households.

2015-31: As previously discussed, the Agency is also currently in the process of preparing the South Hayward BART/Mission Boulevard Concept Plan, which is a long-range planning document focused on a 3-mile stretch of Mission Boulevard in Expansion Area 3. While details of the plan have not yet been finalized, it is expected to include approximately 2,000-4,000 new or rehabilitated housing units, including affordable units.

DRAFT

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

RESOLUTION NO. RA-__

Introduced by Agency Member _____

**RESOLUTION APPROVING AN IMPLEMENTATION PLAN
FOR THE DOWNTOWN HAYWARD REDEVELOPMENT
PROJECT AREA**

WHEREAS, the City Council of the City of Hayward has approved and adopted a Redevelopment Plan for the Downtown Hayward Redevelopment Project Area (the "Project Area"); and

WHEREAS, pursuant to Health & Safety Code section 33490, the Redevelopment Agency of the City of Hayward (the "Agency") is required to conduct a noticed public hearing on, and to adopt an implementation plan for the Project Area (the "Implementation Plan"); and

WHEREAS, Agency staff has prepared and presented to the Agency a proposed Implementation Plan, a copy of which is on file with the Agency Secretary; and

WHEREAS, on the date of this resolution, the Agency has conducted and concluded a duly noticed public hearing on the Implementation Plan in accordance with Health & Safety Code section 33490; and

WHEREAS, the Agency finds that the Implementation Plan, with any modifications as considered and approved in connection with the public hearing, constitutes a statement of the Agency's goals and objectives for the Project Area, a summary of the specific programs and estimated expenditures proposed to be made by the Agency during the next five years, and an explanation of how the goals and objectives, projects, and expenditures will eliminate blight within the Project Area and implement the affordable housing requirements of the Community Redevelopment Law; and

WHEREAS, pursuant to Health & Safety Code section 33490, approval of the Implementation Plan does not constitute a project for purposes of the California Environmental Quality Act ("CEQA"), and therefore no environmental documentation is required pursuant to CEQA.

NOW, THEREFORE, BE IT RESOLVED, that the Agency hereby approves and adopts the Implementation Plan for the Downtown Hayward Redevelopment Project Area.

BE IT FURTHER RESOLVED that the Agency hereby authorizes the Executive Director to take such other actions as are appropriate to effectuate the intent of the Implementation Plan.

BE IT FURTHER RESOLVED that this resolution shall take immediate effect from and after its passage.

HAYWARD, CALIFORNIA _____, 2005

ADOPTED BY THE FOLLOWING VOTE:

AYES: AGENCY MEMBERS:
CHAIR:

NOES: AGENCY MEMBERS:

ABSTAIN: AGENCY MEMBERS:

ABSENT: AGENCY MEMBERS:

ATTEST: _____
Secretary of the Redevelopment Agency
of the City of Hayward

APPROVED AS TO FORM:

General Counsel